

name - that is the Smith Foundation will take title to land rather than Mr. Smith. Mr. Smith, however, as director or officer of the foundation, will sign the proper papers. Authorization for such a purchase from the board of directors, is usually necessary. The financing of such a purchase, where necessary, would be conducted in the same way as the financing for any purchase by any party.

The foundation, as a non-profit corporation, is empowered to borrow money and pledge as security foundation property. Thus any foundation may secure a real estate loan with the real estate purchased with the loan. The foundation may execute an ordinary automobile loan.

The foundation may purchase or sell property from or to the founder of the foundation or major contributors of the foundation. In these cases, however, all such transactions must be at or near fair market value. This rule is to comply with the "self-dealing" provisions of the Internal Revenue Code. It may be possible for your foundation to obtain exemption from state sales taxes; where local law